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Agenda Item 5a

June 14, 2011

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. **SUBJECT:** State Annuitant Contribution Formula
- II. **PROGRAM:** Health Policy and Planning
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

Government Code Section 22871 specifies the state employer contribution for State Annuitants' for health benefits shall be calculated based on a weighted average of the premiums of the four largest health benefit plans, measured by enrollments of state active and retired members in the Basic plans. Staff calculates contribution rates for each premium tier (one-party, two-party, and family) based on the weighted average of those four health plans. For 2012, Kaiser Permanente, Blue Shield Access+ HMO, PERS Choice, and Blue Shield NetValue HMO are our four largest health plans.

The State Annuitant Contribution amounts, based on proposed 2012 premium rates are provided in the attachment.

V. STRATEGIC PLAN:

This item is not a specific product of the strategic plan, but is part of the regular workload of the Health Benefits Branch.

VI. RESULTS/COSTS:

The CalPERS costs associated with this item are included in the annual budget of Health Policy and Planning.

DOUG P. McKEEVER, Chief
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Attachment